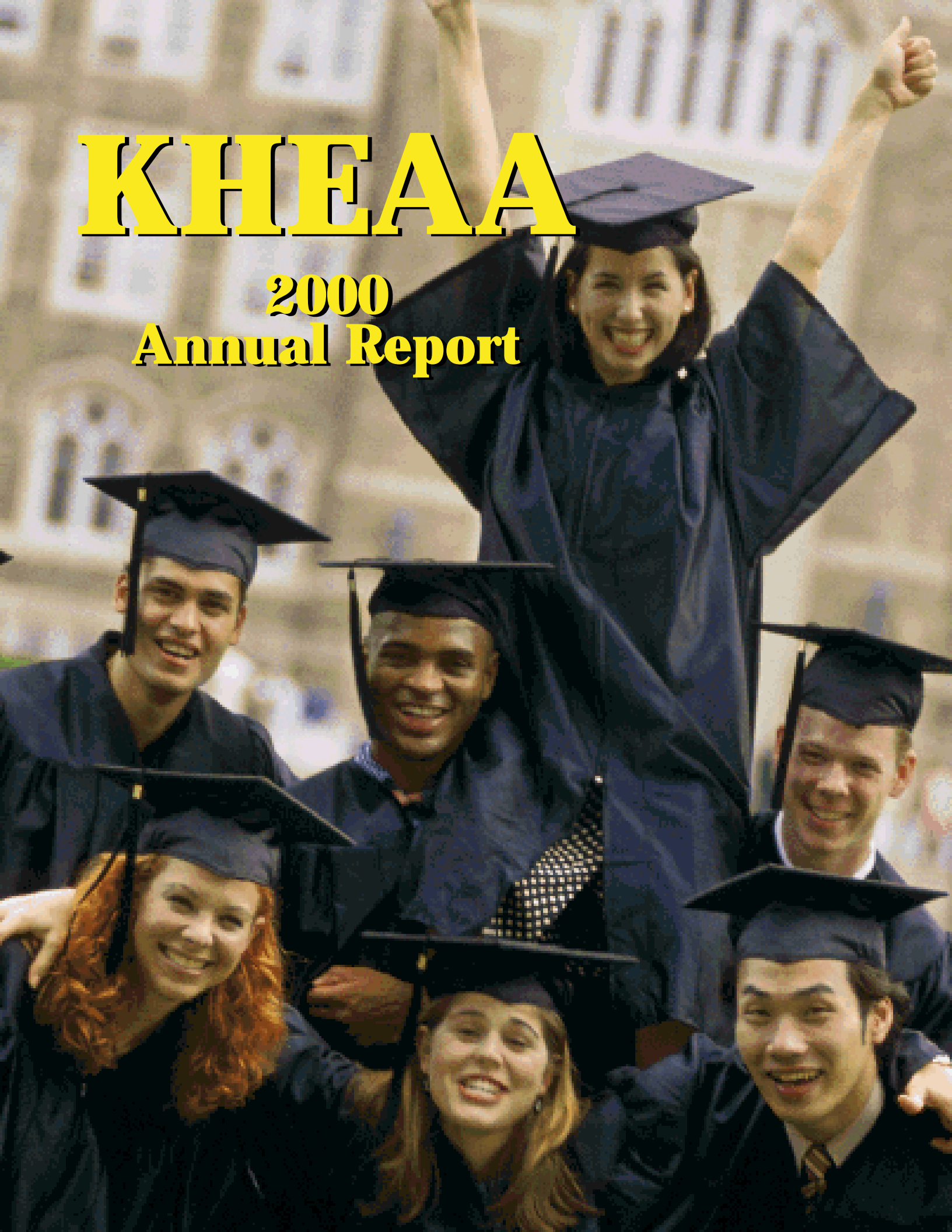


KHEAA

2000 Annual Report



For more than 30 years, KHEAA has partnered with financial aid officers, lenders, and school counselors to make higher education more accessible and to speed the delivery of funds to students.



Executive Message

We are proud to present our *2000 Annual Report*, which contains detailed information about KHEAA operations, programs, and services over the previous year and summary information about KHEAA since its establishment in 1966. We are committed to providing superior services in our efforts to make higher education more affordable and to streamline the delivery of student aid funds. Among our accomplishments this year:

- KHEAA awarded \$53.6 million from scholarship, grant, and work-study programs and guaranteed \$454.8 million in Federal Family Education Loans—over one-half billion dollars in student aid!
- Guarantee volume increased 30.9 percent.
- Default claims were down approximately 28.5 percent to \$10 million in FFY2000.
- Debt recoveries increased 45.5 percent to \$43 million in FFY2000.
- The FFY2000 annual rate of recovery was approximately 5 percent higher than the prior year and well above the target rate set by U.S. Department of Education (USDE) of 15.1 percent for guarantee agencies.
- KHEAA's annual reinsurance rate was 1.43 percent. The USDE pays maximum reinsurance to the guarantor for rates below 5 percent.
- Volume increased by 41 percent for loans originated and disbursed by KHEAA on behalf of lenders. Currently, 17 lenders are participating in this service.
- The new Kentucky Educational Excellence Scholarship (KEES) provided over \$8.3 million in its first year of awards to postsecondary students.
- The KHEAA Board of Directors voted to continue waiving the 1 percent insurance premium for students for whom KHEAA guarantees loans. The waiver has saved students more than \$14 million since the fee was first waived in August 1996.

We are encouraged by these successes—all made possible by partners that support our mission. For more information about our activities and accomplishments, we invite you take a closer look at the *2000 Annual Report*.



Wayne Stratton
Board Chairman



Londa Lewis Wolanin
Chief Operating Officer

Partners for Success

This year has brought substantial achievements that could not have been attained without strong partnerships. KHEAA's mission is to make higher education more accessible to current and future generations—a mission that can only be accomplished with the help of school counselors, financial aid officers, lenders, and other state entities working closely with students and parents. These relationships have made it possible for KHEAA to:

- Administer seven state-funded student financial aid programs that help families pay for their children's college education or technical training.
- Provide superior loan services through the Federal Family Education Loan Program (FFELP).
- Assist state agencies in administration of three additional student financial aid programs.
- Support school and lender officials in their efforts to streamline and expedite delivery of aid to students.
- Print and distribute 536,050 publications, booklets, and brochures that explain the availability of student financial aid and importance of planning for higher education.
- Make 255,510 contacts through four outreach programs and other initiatives to ensure that students and families are informed about higher education opportunities.



Student Financial Aid

KHEAA demonstrated its role in support of higher education goals by helping to provide financial aid to more students than ever before. During FY2000, KHEAA awarded \$53.6 million* from scholarship, grant, and work-study programs and guaranteed \$454.8 million in Federal Family Education Loans to help students and parents pay higher education expenses. In addition, all eligible students who applied in a timely manner were offered a College Access Program (CAP) Grant, Kentucky Tuition Grant (KTG), or Teacher Scholarship.

Academic year 1999–2000 was the first year students from the Commonwealth received Kentucky Educational Excellence Scholarship (KEES) funds. Over 18,200 of Kentucky's 1999 high school graduates used \$8.3 million in KEES awards (an average of \$458 a student) to help pay their expenses at Kentucky postsecondary institutions. A total of 31,520 Kentucky high school students who graduated in 2000 earned

* Includes \$1.6 million in Kentucky National Guard Tuition Award funds disbursed on behalf of the Kentucky National Guard.

\$23.9 million in scholarships. During the first two years of the program, over 118,000 high school students earned KEES awards.

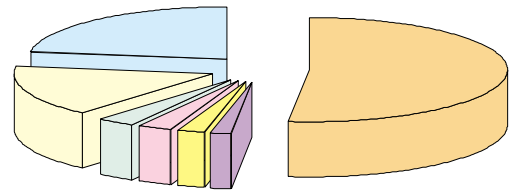
Kentucky students who attend certified Kentucky high schools can earn a KEES award based on their grade point average (GPA) for each year of high school and a bonus award based on their highest ACT composite score (or equivalent SAT score) attained prior to high school graduation. To qualify for a base award, students must have at least a 2.5 GPA for one or more years of high school. To qualify for a bonus award, students must have earned a base award and score 15 or above on the ACT (or equivalent score on the SAT).

Scholarship amounts range from \$125 for a 2.5 GPA to \$500 for a 4.0 GPA. Bonus awards for high school seniors graduating in 1999 ranged from \$21 for an ACT score of 15 to \$300 for a 28 or above. Thereafter, bonus awards range from \$36 for an ACT score of 15 to \$500 for a 28 or above. The scholarship can be used for up to four years for most programs of study at participating postsecondary schools, as long as the student achieves the cumulative GPA required for continued eligibility. Students must begin using the awards within five years of high school graduation. Students do not apply for the scholarships; KHEAA mails letters each year telling them how much they have earned based on data submitted by school districts to the Kentucky Department of Education.

The 2000 Kentucky General Assembly made several changes to programs administered by KHEAA. A significant change to KEES resulted from a floor amendment to House Bill 462, which permits use of KEES awards for attendance in eligible out-of-state programs not

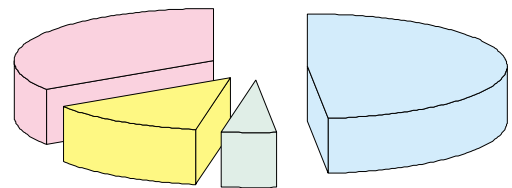
available in Kentucky. The Kentucky Council on Postsecondary Education is charged with identifying eligible programs.

State Student Aid Disbursements—FY2000



College Access Program (CAP) Grants	\$28,057,900
Kentucky Tuition Grants (KTG)	\$12,059,700
Kentucky Educational Excellence Scholarships (KEES)	\$8,325,800
Kentucky National Guard Tuition Awards	\$1,570,300
Teacher Scholarships	\$1,503,100
Osteopathic Medicine Scholarships	\$1,211,000
Work-Study	\$862,400
Total	\$53,590,200

FFELP Loan Guarantees—FY2000



Subsidized Stafford	\$219,233,800
Unsubsidized Stafford	\$155,190,200
Consolidation	\$59,271,300
PLUS	\$21,084,300
Total	\$454,779,600



An amendment to the definition of “college” to include postsecondary institutions accredited by *all* regional accrediting associations expanded benefits for Kentucky students. Prior to the change, only students attending institutions accredited by the Southern Association of Colleges and Schools were eligible for state grants.

The award maximum for an Osteopathic Medicine Scholarship was defined as the difference between the *average* of the in-state tuition charged at the state’s public schools of medicine and the amount charged for tuition at the osteopathic school of medicine at which the student is enrolled.

A new opportunity for student benefits was initiated by Governor Paul E. Patton and passed by the Kentucky General Assembly—the Early Childhood Development Scholarship. The scholarship program was established to upgrade the professional development of child-care workers and trainers. KHEAA, in consultation with the Early Childhood Development Authority and the Cabinet for Families and Children, is responsible for promulgating administrative regulations for the program.

KHEAA’s Board of Directors made additional enhancements to KHEAA grant programs: It increased the maximum CAP award for 2000–2001 academic year for college students to \$1,200—the community college tuition rate *plus* \$50. Awards for students attending proprietary schools or public vocational-technical institutions were raised to \$810—the tuition rate at publicly operated vocational-technical colleges *plus* \$50. The maximum KTG award for a full-time student increased to \$1,600—a \$100 increase over the award level of previous years.

Students with an expected family contribution of up to \$3,100 are now eligible for CAP awards. Previously, only students with an expected family contribution of \$1,500 or less were eligible.

KHEAA, partnering with other state agencies, provided administrative services for three student financial aid programs: the Kentucky National Guard Tuition Award Program and the Kentucky Department of Education’s Minority Educator Recruitment and Retention Scholarship and Occupational Therapy/Physical Therapy Scholarship Programs.

In addition to student financial aid program enhancements, the KHEAA Board has approved beneficial changes to the Kentucky Education Savings Plan Trust, which offers Kentuckians a convenient and affordable way to save for the higher education expenses of their children. In addition to state and federal tax advantages, the program permits savings to be used at higher education institutions throughout the country. Deposits can be as low as \$25 (or \$15 if made through payroll deduction), and contributions can be up to \$100,000 for each beneficiary.



The Board entered into an agreement with TIAA-CREF Tuition Financing, Inc. (TFI), to provide administrative, marketing, and investment services for the Trust. Under the agreement, contributions to the Trust are directed into special investment portfolios that combine stocks, bonds, and money market instruments. The asset allocation of these portfolios differs depending on the age of the beneficiary. As the beneficiary nears college age, the asset allocation becomes progressively more conservative. Beneficiaries are divided into ten age bands. Through FY2000, the return for the Trust's most conservative age band investment (for beneficiaries born before 1984) was 6.9 percent, and the return for the most aggressive age band (beneficiaries born in 1998–1999) was 24.5 percent. Net assets in the Trust as of June 30, 2000, were \$11.9 million, a 31 percent increase over FY1999.

The partnership with TFI resulted in a dedicated Web site, www.kentuckytrust.org. Visitors can download participation agreement and payroll deduction forms from the Web site. The site also features an interactive calculator, college cost information, and links to other important

educational sites. As FY2000 ended, the Trust initiated automated telephone and online account services that allow participants to access account information 24 hours a day, 7 days a week. Participants can check current balances, unit prices, and transaction history; request duplicate statements; and make additional contributions.

Recent legislative changes made the Trust even more flexible for Kentucky families. Restrictions that participation could not begin after the child became 15 years of age and that accounts must be used or closed when the child turns age 18 were removed. These changes will allow Kentuckians to begin saving for a child's higher education and use their savings at any time regardless of age.

Additionally, the 2000 Kentucky General Assembly created a second qualified state tuition program for Kentuckians. The Commonwealth Postsecondary Education Prepaid Tuition Trust Fund will be implemented by the Kentucky State Treasurer's Office in 2001 and transferred to KHEAA after four years, absent statutory changes.

Loan Services

Schools, lenders, and borrowers all look to KHEAA for ways to enhance and expedite the student loan process. In FY2000, significant strides were made in the delivery of funds. The implementation of the KHEAA Loan Administration System (KLASsm) in FY1999 enabled KHEAA to continue improving the efficiency of service we provide to our lender and school partners. KLASsm delivers an instantaneous guarantee decision, provides easy access to loan application information, and eliminates data entry by schools. As FY2000 came to a close, enhancements to KLASsm were under way to allow



lenders and schools to make loan changes online in a real-time mode. The serial guarantee process, through use of the Master Promissory Note, reduced paperwork for students and brought new efficiencies to lenders and schools that received immediate guarantee of loans.

For several years, KHEAA has provided fee-based loan origination and disbursement services on behalf of lenders executing a KHEAA Loan Origination and Disbursement Services Agreement and a KHEAA Contract of Insurance for Federal Subsidized and Unsubsidized Stafford Loans and Federal PLUS Loans. Full-service loan origination and disbursement allows schools to work with one entity to process student loans by coordinating the application process, determining a loan applicant's eligibility, and disbursing funds without the need for additional school staff.

During FY2000, KHEAA began providing disbursement services, which replaced the EFT escrow services (EES). Disbursement services include fee-based EFT disbursements on behalf of lenders executing a Disbursement Services Agreement. As of June 30, 2000, 17 lenders were taking advantage of KHEAA's disbursement services, and 14 lenders were receiving full-

service loan origination and disbursement services. EFT disbursements are made to 48 schools on behalf of these 31 lenders. During FY2000, the Origination Services Branch originated 59 percent of loans guaranteed by KHEAA (including Consolidation Loans).

Providing superior service to lender and school partners is one of KHEAA's highest priorities. Customer service staff are located in both Kentucky and Alabama to provide support and training as needed. During FY2000, KHEAA staff conducted several KLASsm and FFELP training sessions as well as presentations for the Kentucky Association of Student Financial Aid Administrators (KASFAA), Alabama Association of Student Financial Aid Administrators (AASFAA), Florida Association of Student Financial Aid Administrators (FASFAA), Southern Association of Student Financial Aid Administrators (SASFAA), and National Council of Higher Education Loan Programs, Inc. (NCHELP).

KHEAA also provided a forum for one-to-one discussion and feedback from our lender and school partners through the creation of the Business Development Branch. Business Development staff inform schools and lenders about KHEAA's new programs, enhancements to existing programs, and efforts to streamline the financial aid process. Staff use feedback from the schools and lenders to plan for further streamlining. These efforts to improve communications and services have been well received by the financial aid community. During FY2000, KHEAA welcomed the return of Alabama A & M University, Alabama State University, Auburn University Montgomery, Sullivan University, and Western Kentucky University to the Federal Family Education Loan Program.

Recognizing the importance of prompt payment of claims filed by our lender partners on Federal Family Education Loans, KHEAA processes claims within an average of 5 to 10 days of receipt. To help borrowers avoid defaulting on their loans and associated legal and credit consequences, KHEAA focuses on default aversion efforts. Borrower advocates work closely with borrowers to find ways to keep them from defaulting on their student loans. KHEAA's default aversion staff use online services of lender/servicers to advise borrowers of their current account status, explain the online deferment forms, and publish *Road Map to Repayment* to educate borrowers about the alternatives to default. KHEAA's ombudsman checks into complaints and appeals to help achieve fair resolutions and settlements. While our goal is to decrease the number of defaulted student loans, KHEAA realizes the importance of recovering the loans which do default. The Default Portfolio Oversight Branch was created during FY2000 to closely monitor collection performance and was successful in substantially increasing recoveries on defaulted student loans.

Publications and Other Information Services

Getting In is KHEAA's oldest and most recognized information service for high school seniors, parents, and school counselors. The Alabama and Kentucky editions of *Getting In* are provided free to all seniors attending high schools in the two states. As part of its commitment to support Alabama's higher education efforts, KHEAA developed two new brochures for Alabama students—*Surf the Net* and *Top 10 Student Financial Aid Tips*. *Surf the Net* lists Web site addresses for Alabama higher education institutions and other sites that provide free financial aid

and higher education information. *Top 10 Student Financial Aid Tips* is filled with suggestions to help students find and apply for financial aid. In another long-standing partnership, KHEAA and AASFAA produced *Solving the Financial Aid Puzzle* posters and brochures for distribution to school counselors and students. In Kentucky, KHEAA again joined KASFAA in sponsoring nine financial aid workshops for school counselors and a toll-free financial aid hot line for students and parents. KHEAA also presented KEES workshops for the Kentucky Association of Secondary and College Admissions Counselors, Kentucky Counseling Association, and Kentucky School Boards Association.

Accessing information at KHEAA's Web site www.kheaa.com became easier than ever during the year. The site was redesigned to allow users to easily select a topic of interest directly from KHEAA's home page—the most comprehensive source of student financial aid information for many families. Among the site features are KHEAA and federal financial aid program information, agency publications, loan application processing, and entrance and exit counseling for student borrowers. Since 1998, borrowers have had the ability to check on the status of their student loans via the KHEAA Web site. During FY2000, KHEAA gave students online access to check the application status and account history of their KEES, CAP, and KTG awards.

The site also offers information useful to financial aid officers, lenders, and school counselors as they work with students. Online newsletters keep our partners informed about KHEAA programs and services, workshops, conferences, and important policy updates. KHEAA also began developing an online update process for KEES through which KEES District Coordinators

(often school counselors) and financial aid officers can update students' KEES accounts via KHEAA's Web site.

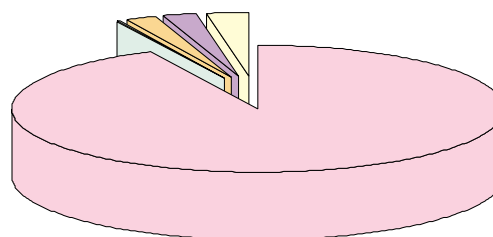
Outreach Activities

Through its outreach activities, KHEAA focused on reaching students and parents with free information about higher education opportunities and student financial aid. School counselors and other agencies and organizations play a pivotal role in this effort.

At the middle and high school levels, KHEAA's Success Through Educational Planning (STEP) initiative introduces students and parents to KEES and helps them plan and prepare for higher education. In years past, students were required to complete and return an enrollment postcard in order to receive STEP booklets. During FY2000, for the first time, names and addresses of Kentucky freshmen, sophomores, juniors, and seniors attending certified high schools were provided to KHEAA by the Kentucky Department of Education (KDE). KHEAA began distributing STEP materials to all students in the new database to more effectively provide this vital information. Since student names and addresses were not available for 8th graders, KHEAA obtained enrollment figures from KDE for each school and provided *STEP for 8th Graders* brochures to counselors for distribution to their students. During FY2000, 237,630 STEP booklets and brochures were distributed to students and counseling offices—a 146 percent increase over last year.

Many Kentucky seniors met face-to-face with a KHEAA representative when KHEAA's Higher Education Learning and Planning (HELP) Center visited their schools. The HELP Center is a 30-foot vehicle equipped with financial aid and

Outreach Contacts—FY2000



STEP	237,630
HELP Center	6,900
Other Outreach	5,620
Western/Southern Kentucky Outreach	4,590
HOPE	770
Total	255,510

higher education resource materials, laptop computers, printers, and career assessment and scholarship search software. These tools enable the on-board coordinator to use the students' interest inventories to search for available financial aid resources and match students with colleges that offer programs to meet their specific educational needs. A total of 2,470 career assessments and 3,070 scholarship searches were completed during the year. In addition, the HELP Center reached KHEAA's goal of visiting each of Kentucky's 120 counties since January 1998.

KHEAA also reached out to Kentuckians through the Hope, Opportunity, and Progress through Education (HOPE) program established in 1993 to improve the delivery of student financial aid and higher education planning information to minorities and others. To increase the effectiveness and efficiency of HOPE, KHEAA restructured the program during FY2000 to make it a year-round, statewide outreach effort rather than an eight-week summer

program in Lexington and Louisville. A full-time outreach coordinator position was created to oversee the HOPE program.

The Western/Southern Kentucky Outreach coordinator partnered with schools, public libraries, government agencies, media, and other organizations in 44 counties. Financial aid information and higher education planning materials were provided to students and parents, and services were offered to school counselors, financial aid and admissions officers, and others in the western and southern regions of the Commonwealth. Activities included distributing KHEAA information, materials, and publications; participating in career fairs, college nights, financial aid workshops, and related events; and participating in radio, television, and newspaper

interviews. The success of this effort has led to the establishment of a similar program in eastern and northern Kentucky for implementation in FY2001.

Looking Ahead

Needless to say, KHEAA is proud of its partnerships! Only by working together can we effectively encourage and enable students to obtain one of the most powerful tools in achieving success—higher education. In years to come, KHEAA will continue its dedication to making higher education more accessible by providing its partners with superior service and innovative technology and its students and families with information and financial aid.

Thanks to our partners for their contributions

KHEAA gratefully acknowledges its partners and their many contributions that facilitate the delivery of financial aid programs and services to students.

An annual \$3 million transfer from the Kentucky Higher Education Student Loan Corporation supports student aid programs and related services administered by KHEAA.

The ongoing support of lenders and schools is needed for KHEAA to continue to provide financial aid programs and services. Their participation in our programs is vitally important and appreciated.

School counselors, who distribute KHEAA publications and materials, provide a vital link to students and families considering higher education.

KHEAA publications would not be possible without the professional input of admissions and financial aid offices, state and higher education agencies, financial aid program administrators, federal agencies, and many others.

KHEAA recognizes that financial aid officers extend the efforts started by high school counselors to educate and counsel students as needed about financial aid and ensure accurate and timely disbursement of funds.

Funds provided by our lender partners make low-interest FFELP loans accessible to all families and students. FFELP is the largest source of funds available to help families meet the costs associated with higher education.

Financial Aid Programs

Program	Who Can Apply	Description	Award Levels	Student Benefits FY2000 Numbers/Dollars
College Access Program (CAP) Grant	Undergraduate Kentuckian attending a public or private Kentucky college, technical college, or proprietary school	Provides access for Kentucky's financially neediest undergraduate students to attend in-state, two- and four-year public and private colleges, proprietary schools, and publicly operated technical colleges.	College: \$1,100 annually for full-time; \$46 each semester hour for part-time Proprietary/technical: \$660 annually	33,820 \$28,057,900
Kentucky Tuition Grant (KTG)	Undergraduate Kentuckian attending a private Kentucky college	Expands Kentucky residents' choices of higher education institutions and assists them with the higher tuition charges at the Commonwealth's independent colleges.	Up to \$1,500 annually	9,160 \$12,059,700
Kentucky Educational Excellence Scholarship (KEES)	Kentucky high school student, Kentucky GED recipient, or graduate of a noncertified Kentucky high school who plans to attend a participating higher education institution	Provides opportunities to earn postsecondary scholarships and bonus awards to students attending certified Kentucky high schools (based on GPA and ACT score); provides bonus awards to GED recipients and students who attend noncertified Kentucky high schools (based on ACT score).	Base: \$125 (2.5 GPA) to \$500 (4.0 GPA) each year Bonus: \$36 (ACT score of 15) to \$500 (ACT score of 28 or above)*	18,620 \$8,325,800
Teacher Scholarship	Kentucky resident seeking initial teacher certification at a participating institution	Provides financial assistance to highly qualified, financially needy Kentucky students. If recipient does not fulfill teaching obligation, the scholarship converts to a loan and must be repaid with 12% interest.	Maximum \$1,250 each year and \$325 each summer term for freshmen and sophomores; \$5,000 each year and \$1,250 each summer term for other students	510 \$1,503,100
Osteopathic Medicine Scholarship	Kentucky resident accepted at Pikeville College School of Osteopathic Medicine	Equalizes tuition at Pikeville College School of Osteopathic Medicine with that of the state medical schools. If recipient does not fulfill service obligation, the scholarship converts to a loan and must be repaid with 12% interest.	Difference between in-state tuition charged at state medical schools and that charged at Pikeville College School of Osteopathic Medicine†	100 \$1,211,000
KHEAA Work-Study	Kentucky resident attending an eligible institution	Provides career-related work experience for participating students through a public/private partnership, the earnings from which assist them with their educational expenses.	Not less than federal minimum wage or prevailing wage (KHEAA pays \$2 toward hourly wage)	1,120 \$862,400
Federal Stafford Loan (subsidized and unsubsidized)	Undergraduate, graduate, or professional student enrolled at least half-time	Provides low-interest, long-term loans through private lenders. Students must demonstrate financial need to qualify for the subsidized loan.	Undergraduate: Up to \$2,625 for first-year dependent student; up to \$10,500 each year for upper-level independent student Graduate or professional: Up to \$8,500 each year for dependent student; up to \$18,500 each year for independent student	110,720 \$374,424,000
Federal PLUS Loan	Parent or stepparent of a dependent student	Provides loans through private lenders to parents of eligible dependent students who need additional financial assistance in meeting postsecondary educational expenses. Eligibility is not based on financial need.	Cost of attendance minus any other aid	3,890 \$21,084,300
Federal Consolidation Loan	Student loan borrower in repayment or grace period on eligible loans	Allows eligible borrowers to consolidate specified educational loans into one loan, generally reducing the borrower's monthly payment amount and extending the repayment period.	Combined total balance of student's outstanding educational loans	4,160 \$59,271,300
Kentucky Education Savings Plan Trust	Benefactors of children under age 15‡	Provides an opportunity for families to save money in a planned way for the higher education expenses of their children or other beneficiaries.	Disbursements—dependent on participant contributions, earnings, and school costs	150 \$529,400

* SAT equivalent scores can also be used for the bonus awards. The bonus award for 1999 high school graduates only was \$21 to \$300 depending on ACT scores.

† Senate Bill 53 passed by the 2000 Kentucky General Assembly amended KRS 164.7891 to reflect that the award amount would be the difference between the *average* of the in-state tuition at the University of Kentucky School of Medicine and the University of Louisville School of Medicine and that charged at Pikeville College School of Osteopathic Medicine.

‡ House Bill 462 passed by the 2000 Kentucky General Assembly lifted the restriction that participation may not begin after the child turns age 15.

Information Services

Publications	<p>Getting In provides information about postsecondary school opportunities, including facts on admission, costs, financial aid, and academic programs. Kentucky and Alabama editions are published each year with updated and new information.</p> <p>Affording Higher Education lists over 2,000 financial aid programs administered by state and federal governments, degree-granting institutions, technical colleges, proprietary trade schools, and Kentucky companies and organizations.</p> <p>STEP for Seniors, STEP for Juniors, STEP for Sophomores, STEP for Freshmen, and STEP for 8th Graders provide high school graduation requirements, Kentucky postsecondary school information, major sources of financial aid, career ideas, checklists, and much more depending on grade level.</p> <p>Adults Returning to School contains valuable information for adults who want to resume their education. In addition to providing facts on admission, costs, financial aid, and academic programs, the publication contains specific information of interest to nontraditional students, such as GED review classes and testing centers, evening and weekend classes, credit for military courses and work experience, and much more.</p> <p>Solving the Financial Aid Puzzle is produced in cooperation with the Alabama Association of Student Financial Aid Administrators and provides information about the major sources of financial aid and college costs for Alabama postsecondary schools.</p>
Outreach	<p>Success Through Educational Planning (STEP) provides packets of higher education planning materials and student financial aid information to families of students in grades 8–12. STEP reinforces school counselors' efforts by sending information directly into the homes of students in grades 9–12. Brochures are distributed to 8th graders by counselors.</p> <p>Hope, Opportunity, and Progress through Education (HOPE) emphasizes the importance of higher education, provides career counseling information, and explains how financial aid can help African Americans and other minorities achieve their educational and career goals.</p> <p>Higher Education Learning and Planning (HELP) Center is a mobile resource service that takes financial aid information and higher education planning materials to students in communities throughout the Commonwealth.</p> <p>Western/Southern Kentucky Outreach provides financial aid information and higher education planning materials to students and parents as well as services to guidance counselors, financial aid officers, and admissions officers in the western and southern regions of the Commonwealth. A strong effort is also made to reach others who can help distribute information about student financial aid.</p> <p>Counselor Workshops are conducted in cooperation with the Kentucky Association of Student Financial Aid Administrators and provide information about KHEAA programs and services as well as other important financial aid updates.</p>
Web Site	<p>www.kheaa.com provides valuable information and innovative products to students, parents, school counselors, financial aid officers, and lenders. The site contains information about KHEAA programs and services; online loan application processing; application status and account history for KHEAA grants, loans, and KEES awards; online loan counseling materials; publications for students and parents; and newsletters for school counselors, admissions and financial aid officers, and participating lenders. During FY2000, over 4.6 million hits were recorded on KHEAA's Web site.</p>

Program Services for Other Entities

Fund Management/Disbursements	KHEAA provides administrative services for the Kentucky National Guard Tuition Award Program . The National Guard determines members' eligibility and selects award recipients, and KHEAA is responsible for processing disbursements to participating institutions.
Collections	KHEAA assists the Kentucky Department of Education (KDE) in administering the Minority Educator Recruitment and Retention Scholarship Program and the Occupational Therapy/Physical Therapy Related Services Scholarship Program . KDE selects recipients and disburses program funds. KHEAA's role is to track the status of recipients and cancel notes or collect on the loans.
Loan Origination/Disbursements	KHEAA offers fee-based loan origination and disbursement services to make loan processing simple for lenders. Lenders may choose disbursement only or full-service loan origination and disbursement. Under agreement, Federal Subsidized and Unsubsidized Stafford Loans and Federal PLUS Loans insured by KHEAA are made and/or disbursed with speed and efficiency on behalf of the lender.
Administrative Services	KHEAA provides fee-based technical and administrative services to the Kentucky Higher Education Student Loan Corporation through memoranda of agreement.

Federal Family Education Loan Program

Helping families fill the gap between personal resources and college costs.

FY2000	Subsidized Stafford	Unsubsidized Stafford	PLUS	Consolidation	Total
Loans	65,750	44,970	3,890	4,160	118,770
Total	\$219,233,800	\$155,190,200	\$21,084,300	\$59,271,300	\$454,779,600 [‡]
<i>Cumulative Since*</i>	<i>1978</i>	<i>1993</i>	<i>1982</i>	<i>1987</i>	
Loans	1,017,880	214,500 [†]	61,510	18,170	1,312,060
Total	\$2,689,377,200	\$654,545,300 [†]	\$218,057,100	\$274,409,900	\$3,836,389,500 [‡]

* Date indicates first year of program implementation.

† Federal Unsubsidized Stafford Loans include Federal Supplemental Loans for Students, which are no longer available.

‡ Represents the original amounts guaranteed.

Distribution by Type of Educational Institution*—FY2000

	Loans	Amount
Public 4-year	76,710	\$264,258,500
Private 4-year	1,190	72,506,700
Public 2-year	20,910	6,482,200
Private 2-year	300	754,800
Proprietary	14,330	41,886,400
Medical/dental	1,110	9,171,000
Foreign	60	448,700
Total	114,610	\$395,508,300

* Distribution does not include Federal Consolidation Loans.

Top Ten Schools by Loan Volume—FY2000

	Loans	Amount
University of Louisville	11,100	\$55,225,500
University of South Alabama	12,100	38,949,800
Western Kentucky University	9,800	28,596,300
Troy State University	6,200	25,661,100
Eastern Kentucky University	9,100	24,394,400
Alabama State University	7,400	24,329,700
Murray State University	6,600	21,718,100
Sullivan University	4,600	16,168,300
Northern Kentucky University	4,400	15,486,500
University of North Alabama	4,100	11,837,500

Top Ten Lenders by Loan Volume—FY2000

	Loans	Amount
The Student Loan People/KHESLC*	31,000	\$111,328,600
Regions Bank*	22,100	82,279,100
Bank One Education Finance Group	12,400	41,355,600
National City Bank, Kentucky*	9,400	34,442,400
PNC Bank	6,300	25,116,500
SouthTrust Bank, NA*	6,500	21,822,300
Republic Bank & Trust Company	2,200	21,294,600
Fifth Third Bank	6,200	20,293,900
Lender of Last Resort	3,900	14,138,000
Sallie Mae/LSC/KS	500	9,207,600

* Includes Consolidation Loans.

Guarantees Outstanding

Fiscal Year	Amount
1994	\$ 667,407,100
1995	847,996,200
1996	1,584,863,300
1997	1,625,864,000
1998	1,637,204,800
1999	1,779,865,400
2000	1,976,730,100

Loan Services—Assisting schools and lenders in their efficient delivery of aid to students and helping students satisfy their loan obligations.

Origination Services*—FY2000

Lender contracts	14
Applications received	56,700
Loans guaranteed†	75,860
Total guaranteed	\$267,196,200
Disbursements†	141,620
Total disbursements	\$233,635,500

* Origination services include application processing and guarantee and disbursement services under contract.

† Subsidized and Unsubsidized Federal Stafford Loans are counted separately.

Origination Lenders

Lender	Loans	Guaranteed	Lender	Loans	Guaranteed
The Student Loan People/KHESLC	29,770	\$93,225,000	Bank of Louisville	1,720	\$7,502,900
Bank One Education Finance Group	12,400	\$41,355,600	edsouth	2,010	\$6,323,200
National City Bank	9,150	\$31,126,700	Firststar Bank	1,650	\$5,225,800
PNC Bank	6,260	\$25,116,500	Student Loan Funding	820	\$2,884,800
Republic Bank	2,200	\$21,294,600	Union Planters National Bank	540	\$1,772,700
Fifth Third Bank	6,220	\$20,293,900	The Provident Bank	350	\$1,326,600
Chase Manhattan Bank	2,320	\$8,425,700	AmSouth Bank	450	\$1,322,200

Default Aversion—FY2000

Preclaims requests received and processed	100,660
Skip-tracing requests processed	10,110
Percentage of skips located	66%
Phone numbers updated	3,500

Claims Paid—FY2000

Type	Number	Amount
Default	5,060	\$24,006,200
Bankruptcy	350	2,130,550
Death	200	1,063,000
Disability	230	1,601,800
Ineligible borrower	1	1,900

Decrease in claims paid compared to FY1999 26.5%

Default Recovery—FY2000

Total recovered by administrative garnishment, payroll offset, and litigation	\$5,783,600
Number of accounts paid in full following litigation	640
Number of state income tax refunds withheld	2,250
Total withheld from state income tax refunds	\$319,500
Number of federal income tax refunds withheld	6,590
Total withheld from federal income tax refunds	\$6,486,100
Total recovered by collection contractors	\$9,589,100
Total recovered by KHEAA Default Collection Section	\$3,767,600
Total recovered	\$37,185,200

Kentucky Educational Excellence Scholarship (KEES)-

Recognizing students' efforts toward academic excellence and encouraging their continued focus on higher education opportunities.

FY2000	High School Awards Earned			
	Seniors	Juniors	Sophomores	Freshmen
Number of base awards	29,210	26,100	25,910	27,910
Average base award by GPA only	\$346	\$323	\$320	\$320
Number of ACT scores reported*	20,840	7,290	800	160
Average supplemental award only	\$261	\$268	\$273	\$277
Average combined award	\$610	\$590	\$590	\$600
Total	\$15,542,200	\$10,380,000	\$8,499,500	\$8,987,400

Cumulative Since 1999

Awards	31,520	29,240	29,880	27,900
Total	\$23,879,300	\$18,606,800	\$17,090,200	\$8,987,400

* Equivalent SAT scores are also included.

Scholarships Earned and Used by 1999 High School Graduates

	Number	Amount
Earned FY1999	30,000	\$13,290,000
Used during FY2000	18,210	8,325,800

Distribution by Type of Institution—FY2000

Type	Number	Amount
Public 4-year	10,020	\$4,850,200
Private 4-year	2,590	1,390,500
Public 2-year	5,540	1,948,200
Private 2-year	70	27,200
Proprietary	400	109,700
Total	18,620*	8,325,800

* 410 recipients attended more than one institution.

College Access Program (CAP) Grant

Providing access for Kentucky students who demonstrate the greatest financial need.

FY2000

Applicants*	194,270
Recipients	33,820
Total disbursements	\$28,057,900
Refunds from prior years	\$753,100
Net disbursements	\$27,304,800

Cumulative Since 1978

Recipients	415,830 [†]
Net disbursements	\$235,445,200 [†]

* Students who completed the Free Application for Federal Student Aid; listed an eligible Kentucky school; had their data sent to KHEAA; and were, therefore, considered for a grant.

[†] State Student Incentive Grants and CAP Grants.

Distribution by Family Income

	<i>Percent</i>
\$ 0	10
\$ 1–9,999	33
\$10–19,999	27
\$20–29,999	22
\$30–39,999	7
\$40,000+	1

CAP Distribution by Type of Institution

	<i>Recipients</i>	<i>Amount</i>	<i>Percent</i>
Public 4-year	14,360	\$13,150,700	47
Private 4-year	3,680	3,490,500	12
Public 2-year	12,890	9,877,400	35
Private 2-year	170	140,700	1
For-profit proprietary	2,720	1,398,600	5

Kentucky Tuition Grant (KTG)—Offering students with demonstrated financial need a choice of institutions and recognizing the value of Kentucky's private colleges.

FY2000

Applicants*	15,110
Recipients	9,160
Total disbursements	\$12,059,700
Refunds from prior years	\$13,400
Net disbursements	\$12,046,300

Cumulative Since 1978

Recipients	129,420
Net disbursements	\$136,403,600

* Students who completed the Free Application for Federal Student Aid; listed an eligible Kentucky school; had their data sent to KHEAA; and were, therefore, considered for a grant.

Distribution by Family Income

	<i>Percent</i>
\$ 0	4
\$ 1–9,999	12
\$10–19,999	16
\$20–29,999	17
\$30–39,999	14
\$40,000+	37

KTG Distribution by Type of Institution

	<i>Recipients</i>	<i>Amount</i>	<i>Percent</i>
Private 4-year	8,030	10,890,700	90
Private 2-year	220	288,900	3
For-profit proprietary	910	880,100	7

Conversion Scholarships/Loans

Helping Kentucky meet the demands for professionals in shortage fields and helping students train to meet those needs.

Teacher Scholarship—FY2000

Applicants	920
Recipients	510
Total disbursements	\$1,503,100

Cumulative Since 1986

Recipients (unduplicated)	2,880
Total disbursements	\$21,312,000
Note Statuses ¹	
Number in repayment—teaching service	7,550
Amount in repayment—teaching service	\$16,359,600
Number in repayment—nonteaching	1,290
Amount in repayment—nonteaching	\$2,494,500

¹ Each note represents a semester of loan/service. Does not include recipient statuses of in school, grace, deferment, death, or disability.

Distribution by Type of Institution

	<i>Recipients</i>	<i>Amount</i>	<i>Percent</i>
Public 4-year	290	\$843,000	56.1
Private 4-year	200	637,100	42.4
Public 2-year	15	19,900	1.3
Private 2-year	5	3,100	.2

Distribution by Grade Level

	<i>Recipients</i>	<i>Amount</i>	<i>Percent</i>
Freshman	70	\$ 89,600	6
Sophomore	100	124,100	8
Junior	100	401,500	27
Senior	200	709,900	47
Graduate	40	178,000	12

Osteopathic Medicine Scholarship—FY2000

Recipients	100
Total disbursements	\$1,211,000

Cumulative Since 1998

Recipients	110
Total disbursements	\$2,020,700
Recipients who repaid loans or are in repayment	1
Total of repayments collected	\$13,700

Distribution by Medical School Classification*

	<i>Recipients</i>	<i>Amount</i>
First-year	35	\$436,000
Second-year	35	411,700
Third-year	30	363,300

* Program initiated in 1998.

KHEAA Work-Study Program

Helping students achieve career-related work experience while earning money for college.

FY2000

Students employed	1,120
Employer agreements	410
Actively participating higher education institutions	13*
Gross wages earned by students	\$2,756,800
Portion of wages paid by KHEAA	\$789,200
Portion of wages paid by employers	\$1,967,600
Administrative cost allowance expenditures	\$73,200
Net program funds expended	\$862,400

* Kentucky Technical Colleges are counted as one institution.

Cumulative Since 1990

Students employed	11,210
Gross wages earned by students	\$22,820,700
Portion of wages paid by KHEAA	\$7,106,500
Portion of wages paid by employers	\$15,714,200
Administrative cost allowance expenditures	\$777,700
Net program funds expended	\$7,884,200

Distribution by Type of Institution

	<i>Recipients</i>	<i>Gross Wages</i>
Public 4-year	1,010	\$2,479,200
Private 4-year	60	136,600
Public 2-year	50	141,000

Actively Participating Institutions

	<i>Gross Wages</i>	<i>Percent</i>
Ashland Community College	\$ 11,000	.4
Campbellsville University	61,000	2.2
Centre College	600	.1
Eastern Kentucky University	589,600	21.4
Lindsey Wilson College	75,000	2.7
Maysville Community College	24,300	.9
Murray State University	692,800	25.1
Owensboro Technical College	900	.1
Prestonsburg Community College	3,200	.1
Somerset Community College	47,300	1.7
Somerset Technical College	32,500	1.1
Southeast Community College	21,800	.8
University of Kentucky	265,700	9.6
Western Kentucky University	931,100	33.8

Kentucky Education Savings Plan Trust

Helping families save to meet college expenses.

FY2000

Participation agreements signed	450
Participant payments received	\$2,227,800
Beneficiaries receiving disbursements	150
Benefit disbursements	\$529,400
Active accounts on June 30, 2000	2,800
Net assets in Program Fund on June 30, 2000	\$11,190,800
Net assets in Endowment Fund on June 30, 2000	\$57,000

Yield on Investments by Age Band—FY2000 October 18*–June 30

Birth Year	Yield
2000–2001	5.4% ⁺
1998–1999	24.5%
1996–1997	20.6%
1994–1995	18.7%
1992–1993	17.6%
1990–1991	16.0%
1988–1989	14.5%
1986–1987	11.3%
1984–1985	8.0%
Prior to 1984	6.9%

* The age-band investment structure was implemented on October 18, 1999. The annual yield on investments from July 1–October 17, 1999, was 5.3 percent.

* The first account in this age band was opened on May 17, 2000; therefore, the return is for the period May 17, 2000–June 30, 2000.

Cumulative Since 1994

Beneficiaries receiving disbursements	830
Benefit disbursements	\$1,950,200

Publications—Providing valuable information to help families and counselors assist potential postsecondary students.

Distribution—FY2000

Kentucky *Getting In*

High school seniors	49,710
High school juniors	44,510
Students through outreach activities	770
Counseling offices/libraries/lenders	2,570
Others upon request	3,440
Total	101,000

Alabama *Getting In*

High school seniors	42,650
Counseling offices/libraries/lenders	860
Others upon request	7,870
Total	51,380

Kentucky *Affording Higher Education*

Counseling offices/state agencies/ companies/organizations	4,350
Others through outreach activities	430
Total	4,780

Kentucky *STEP* booklets and brochures

Seniors	40,570
Juniors	44,650
Sophomores	49,040
Freshmen	41,300
8th graders	55,780
7th graders	2,540
Counseling offices	3,750
Total	237,630

Alabama *Solving the Financial Aid Puzzle*

High school students	1,500
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Outreach

Helping families and students learn about higher education and financial aid opportunities.

Contacts—FY2000

	STEP	HOPE	HELP Center	Western/Southern Kentucky Outreach	Other Outreach	Total
Exhibits	—	650	2,010	2,430	5,260	10,350
Presentations	—	120	4,890	2,160	360	7,530
STEP packets	237,630	—	—	—	—	237,630
Total	237,630	770	6,900	4,590	5,620	255,510

Activities—FY2000

Number of exhibits	—	4	5	28	23	60
Number of presentations	—	3	56	32	7	98
Number of counties visited	—	4	50	44	12	78*
Number of miles traveled	—	100	10,600	24,160	5,200	40,060

* Some counties were visited through more than one KHEAA Outreach Program.

HELP Center Searches Conducted

Type	Number
Career	2,470
Scholarship	3,070
Total	5,540

Media Interviews

	Number
Radio	34
Television	3
Newspaper	1
Total	38

On-Site Visits

Type	Number
Cable companies	26
Colleges, universities, technical schools	40
Community-Based Agencies	82
Department of Community Based Services	72
Family Resource Centers	31
General public	52
Governmental agencies	2
Health departments	41
High school and middle schools	106
Job Corps Centers	2
Libraries	52
Military	19
Movie theaters	3
Newspapers	56
Professional organizations	22
Radio stations	52
Summer camps	2
Television stations	4
Youth Services Centers	30
Other	22
Total	716

Administrative Services

Helping Kentucky agencies serve Kentucky students.

Kentucky National Guard Tuition Award—FY2000

Recipients	1,090
Total disbursements	\$1,570,300

Distribution by Type of Institution

	<i>Recipients</i>	<i>Amount</i>
Public 4-year	720	\$1,308,900
Public 2-year	370	261,400

Cumulative Since 1997

	<i>Recipients</i>	<i>Amount</i>
Public 4-year	2,990	\$4,355,200
Public 2-year	1,470	853,300

Minority Educator Recruitment and Retention (MERR) Scholarship—FY2000

Recipients	230
Total scholarships/loans	\$863,200

Cumulative Since 1996

Recipients	680
Total disbursements	\$2,400,900
Note Statuses ¹	
Number in repayment—teaching service	420
Amount in repayment—teaching service	\$593,300
Number in repayment—nonteaching	300
Amount in repayment—nonteaching	\$393,200

¹ Each note represents a semester of loan/service. Does not include recipient statuses of in school, grace, deferment, death, or disability.

Occupational Therapy/Physical Therapy Related Services Scholarship—FY2000

Recipients	10
Total scholarships/loans	\$26,800

Cumulative Since 1998

Recipients	20
Total disbursements	\$156,700
Recipients who cancelled loans with service	10
Total of loans cancelled with service	\$37,200

Financial Aid Distribution by Institutions-FY2000

Kentucky Schools	FFELP Stafford & PLUS Loans		KEES Scholarships		CAP Grants		KTG Grants		KHEAA Teacher Scholarships		KHEAA Work-Study		Total for Institution	
	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars
Alice Lloyd College	55	112,200	106	44,000	139	130,300	219	285,700	-	-	-	-	519	572,200
Asbury College	962	3,644,100	87	49,500	52	52,800	171	232,900	16	65,300	-	-	1,288	4,044,600
Asbury Theological Seminary	412	2,640,500	-	-	-	-	-	-	-	-	-	-	412	2,640,500
Ashland Community College	-	-	261	99,800	633	501,000	-	-	1	1,300	4	3,400	899	606,000
Ashland Technical College	-	-	44	12,900	96	47,300	-	-	-	-	-	-	140	60,200
Bellarmine College	1,457	5,963,600	257	149,200	151	144,200	610	861,700	24	88,300	-	-	2,499	7,207,000
Berea College	499	878,500	125	73,600	333	333,900	486	676,300	-	-	-	-	1,443	1,962,300
Bowling Green Technical College	-	-	84	24,200	47	24,000	-	-	-	-	-	-	131	48,200
Brescia University	681	2,032,500	67	32,200	99	97,600	259	349,100	9	39,700	-	-	1,115	2,551,100
Campbellsville University	1,049	3,089,300	205	90,200	401	380,200	806	1,085,400	16	50,100	25	29,800	2,502	4,725,000
Central Kentucky Technical College	213	394,300	71	18,500	94	45,700	-	-	-	-	-	-	378	458,500
Centre College	623	2,285,400	162	111,700	95	95,100	403	577,300	1	5,000	3	400	1,287	3,074,900
Cumberland College	1,550	5,070,300	204	102,500	314	308,600	618	857,800	21	48,900	-	-	2,707	6,388,100
Cumberland Valley Technical College	57	137,200	12	2,900	103	62,000	-	-	-	-	-	-	172	202,100
Draughons Jr. College	1	2,000	3	400	142	65,800	-	-	-	-	-	-	146	68,200
Eastern Kentucky University	9,083	24,394,400	1,521	649,100	3,139	2,788,700	-	-	39	123,600	248	160,300	14,030	28,116,100
Elizabethtown Community College	-	-	426	161,600	799	609,300	-	-	-	-	-	-	1,225	770,900
Elizabethtown Technical College	-	-	38	10,900	70	35,200	-	-	-	-	-	-	108	46,100
Fugazzi College	232	615,300	6	2,300	48	23,000	-	-	-	-	-	-	286	640,600
Georgetown College	1,371	3,987,600	269	168,000	147	153,600	586	847,800	14	41,600	-	-	2,387	5,198,600
The Hair Design School (Florence)	28	50,500	-	-	-	-	-	-	-	-	-	-	28	50,500
The Hair Design School (Louisville)	74	137,200	-	-	-	-	-	-	-	-	-	-	74	137,200
The Hair Design School (Radcliff)	55	111,100	-	-	-	-	-	-	-	-	-	-	55	111,100
Hazard Community College	-	-	325	124,000	1,198	945,500	-	-	2	1,800	-	-	1,525	1,071,300
Hazard Technical College	48	93,200	35	10,400	90	45,100	-	-	-	-	-	-	173	148,700
Henderson Community College	1	3,500	175	68,800	333	240,400	-	-	1	1,300	-	-	510	314,000
Hopkinsville Community College	-	-	120	51,700	525	442,400	-	-	1	400	-	-	646	494,500
ITT Technical Institute	-	-	34	9,200	132	58,100	-	-	-	-	-	-	166	67,300
Institute of Electronic Technology	345	967,100	12	3,300	50	28,100	-	-	-	-	-	-	407	998,500
Jefferson Community College	-	-	629	160,600	1,765	1,228,800	-	-	3	3,100	-	-	2,397	1,392,500
Jefferson Technical College	-	-	37	10,200	38	18,600	-	-	-	-	-	-	75	28,800
Kentucky Advanced Tech. Institute	-	-	31	12,600	44	23,000	-	-	-	-	-	-	75	35,600
Kentucky Career Institute	-	-	3	500	139	71,800	-	-	-	-	-	-	142	72,300
Kentucky Christian College	407	1,330,800	42	17,700	46	45,700	81	111,900	10	31,200	-	-	586	1,537,300
Kentucky Mountain Bible College	3	8,100	-	-	-	-	-	-	-	-	-	-	3	8,100
Kentucky State University	-	-	108	37,100	555	496,300	-	-	6	18,400	-	-	669	551,800
Kentucky Wesleyan College	644	2,175,000	135	72,200	138	133,300	350	487,400	11	31,600	-	-	1,278	2,899,500
Laurel Technical College	22	49,000	29	7,800	43	23,800	-	-	-	-	-	-	94	80,600
Lexington Community College	-	-	820	290,300	1,396	1,182,300	-	-	3	2,200	-	-	2,219	1,474,800
Lexington Theological Seminary	31	208,600	-	-	-	-	-	-	-	-	-	-	31	208,600
Lindsey Wilson College	1,167	3,322,500	205	83,600	604	556,500	990	1,290,700	9	16,900	33	39,600	3,008	5,309,800
Louisville Presby. Theo. Seminary	41	233,000	-	-	-	-	-	-	-	-	-	-	41	233,000
Louisville Technical Institute	179	686,900	65	17,200	115	54,700	-	-	-	-	-	-	359	758,800
Madisonville Community College	-	-	240	95,900	581	472,100	-	-	2	1,600	-	-	823	569,600
Madisonville Technical College	10	23,600	31	8,000	42	21,000	-	-	-	-	-	-	83	52,600
Mayo Technical College	105	190,100	62	17,500	160	78,200	-	-	-	-	-	-	327	285,800
Maysville Community College	-	-	137	51,900	380	287,900	-	-	1	1,300	9	9,400	527	350,500
McKendree College	29	49,000	-	-	-	-	-	-	-	-	-	-	29	49,000
Mid-Continent College	227	661,000	24	10,100	49	43,300	85	104,700	1	1,300	-	-	386	820,400
Midway College	869	2,843,000	53	24,300	208	176,800	416	479,400	2	6,300	-	-	1,548	3,529,800
Morehead State University	1	2,500	983	439,500	2,213	2,034,700	-	-	38	69,600	-	-	3,235	2,546,300
Murray State University	6,568	21,718,100	715	358,100	1,181	1,139,500	-	-	23	69,300	376	237,600	8,863	23,522,600
National Business College	-	-	35	12,600	688	293,200	-	-	-	-	-	-	723	305,800
Northern Kentucky Technical College	99	173,600	71	19,200	45	19,600	-	-	-	-	-	-	215	212,400
Northern Kentucky University	4,395	15,486,500	1,027	441,500	1,054	945,900	-	-	30	82,400	-	-	6,506	16,956,300
Owensboro Community College	-	-	296	108,400	431	323,000	-	-	1	1,900	-	-	728	433,300
Owensboro Jr. College of Business	584	1,300,900	12	3,000	95	41,200	-	-	-	-	-	-	691	1,345,100
Owensboro Technical College	-	-	51	15,700	54	26,000	-	-	-	-	1	200	106	41,900
Paducah Community College	-	-	381	156,200	550	434,000	-	-	-	-	-	-	931	590,200
Pikeville College	1,194	9,654,100	159	78,600	311	301,300	471	631,000	5	12,500	-	-	2,240*	11,888,500*
Prestonsburg Community College	-	-	309	108,400	1,129	941,500	-	-	1	5,000	2	1,500	1,441	1,056,400
R.E.T.S. Electronic Institute	-	-	9	2,000	241	101,800	-	-	-	-	-	-	250	103,800
Rowan Technical College	-	-	48	13,000	67	34,300	-	-	-	-	-	-	115	47,300

* Includes \$1,211,000 for 100 Osteopathic Medicine Scholarships.

Summaries

	FFELP Stafford & PLUS Loans		KEES Scholarships		CAP Grants		KTG Grants		KHEAA Teacher Scholarships		KHEAA Work-Study		Total for Institution	
	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars
Kentucky Schools														
Roy's of Louisville Beauty Academy	97	225,500	-	-	-	-	-	-	-	-	-	-	97	225,500
Saint Catharine College	289	680,300	69	27,200	165	140,700	222	288,900	3	3,100	-	-	748	1,140,200
Somerset Community College	-	-	385	149,500	933	760,300	-	-	-	-	7	18,200	1,325	928,000
Somerset Technical College	-	-	40	11,600	75	39,700	-	-	-	-	13	8,600	128	59,900
Southeast Community College	-	-	281	103,900	1,027	896,900	-	-	-	-	12	9,000	1,320	1,009,800
Southern Ohio College	-	-	2	400	103	51,200	-	-	-	-	-	-	105	51,600
Southwestern College of Business	-	-	3	700	18	7,200	-	-	-	-	-	-	21	7,900
Spalding University	2,112	6,980,700	93	43,900	226	194,900	441	584,900	9	26,700	-	-	2,881	7,831,100
Spencerian College	729	2,759,600	73	19,300	145	64,900	-	-	-	-	-	-	947	2,843,800
Sullivan University	4,594	16,168,300	141	38,800	806	537,600	906	880,100	-	-	-	-	6,447	17,624,800
Thomas More College	297	1,192,600	106	59,800	95	80,300	301	411,700	15	41,700	-	-	814	1,786,100
Transylvania University	743	2,529,000	236	157,400	86	86,400	433	615,900	9	27,500	-	-	1,507	3,416,200
Union College	852	2,617,700	54	22,000	190	175,700	306	399,100	30	102,500	-	-	1,432	3,317,000
University of Kentucky	889	8,482,400	2,214	1,304,700	1,908	1,820,000	-	-	49	143,200	57	81,100	5,117	11,831,400
University of Louisville	11,067	55,225,500	1,714	802,300	1,904	1,755,000	-	-	42	163,800	-	-	14,727	57,946,600
Western Kentucky Technical College	48	108,900	74	21,800	141	68,500	-	-	-	-	-	-	263	199,200
Western Kentucky University	9,816	28,596,300	1,739	817,900	2,406	2,170,600	-	-	62	172,700	330	262,800	14,353	32,020,300
Totals for Kentucky Schools	66,904	242,292,900	18,620	8,325,800	33,820	28,057,900	9,160	12,059,700	510	1,503,100	1,120	862,400	130,234*	294,312,800*
Alabama Schools	No.	Dollars											Total for Institution	Dollars
Alabama A & M University	1,504	3,984,600											1,504	3,984,600
Alabama Career College	278	820,100											278	820,100
Alabama State University	7,418	24,329,700											7,418	24,329,700
Auburn University	1	2,600											1	2,600
Birmingham-Southern College	20	76,700											20	76,700
Enterprise State Junior College	257	480,400											257	480,400
Faulkner University	4	15,500											4	15,500
Herzing College	378	1,007,800											378	1,007,800
Huntingdon College	417	1,428,800											417	1,428,800
Judson College	281	720,600											281	720,600
Northwest Alabama Community Col.	1	2,000											1	2,000
Northwest-Shoals Community College	611	1,286,300											611	1,286,300
Oakwood College	6	55,600											6	55,600
Prince Institute of Professional Studies	273	975,600											273	975,600
Samford University	122	614,600											122	614,600
South College	394	1,104,700											394	1,104,700
Spring Hill College	356	1,350,000											356	1,350,000
Talladega College	1	7,500											1	7,500
Troy State University	6,174	25,661,200											6,174	25,661,200
Troy State University Dothan	900	3,521,600											900	3,521,600
Troy State University Montgomery	908	2,720,400											908	2,720,400
United States Sports Academy	4	16,800											4	16,800
University of Alabama at Huntsville	1	3,000											1	3,000
University of Mobile	24	67,600											24	67,600
University of Montevallo	37	135,800											37	135,800
University of North Alabama	4,137	11,837,500											4,137	11,837,500
University of South Alabama	12,071	38,949,800											12,071	38,949,800
University of West Alabama	1,980	5,321,300											1,980	5,321,300
George C. Wallace St. Co. Col. Dothan	97	261,400											97	261,400
Totals for Alabama Schools	38,655	126,759,500	0	0	0	0	0	0	0	0	0	0	38,655	126,759,500
Total for Other Schools	9,051	26,455,900	0	0	0	0	0	0	0	0	0	0	9,051	26,455,900
Grand Total for All Schools	114,610	\$395,508,300	18,620	\$8,325,800	33,820	\$28,057,900	9,160	\$12,059,700	510	\$1,503,100	1,120	\$862,400	177,940*	\$447,528,200*

* Includes \$1,211,000 for 100 Osteopathic Medicine Scholarships.

Kentucky Higher Education Assistance Authority (KHEAA)

Selected Financial Information

As of June 30, 2000, and for the year then ended.

	Federal Fund	Proprietary Funds		State Treasury Funds
	Federal Student Loan Reserve Fund	Agency Operating Fund	General Services	Administration and Student Aid
Revenues	\$ 1,387,162	\$16,585,463	\$ 2,127,557	\$58,106,755
Expenditures and transfers	4,178,227	14,296,644	(872,215)	51,565,167
Revenue over (under) expenditures	(2,791,065)	2,288,819	2,999,772	6,541,588
Fund balances at beginning of year	40,507,762	(732,155)	6,890,154	14,522,844
Fund balances at end of year	<u><u>\$37,716,697</u></u>	<u><u>\$ 1,556,664</u></u>	<u><u>\$ 9,889,926</u></u>	<u><u>\$21,064,432</u></u>

Assets	<u><u>\$39,006,716</u></u>	<u><u>\$13,651,945</u></u>	<u><u>\$10,552,776</u></u>	<u><u>\$24,684,183</u></u>
Liabilities	\$ 1,290,019	\$12,095,281	\$ 662,850	\$ 3,619,751
Fund balances	37,716,697	1,556,664	9,889,926	21,064,432
Total liabilities and fund balances	<u><u>\$39,006,716</u></u>	<u><u>\$13,651,945</u></u>	<u><u>\$10,552,776</u></u>	<u><u>\$24,684,183</u></u>

Net cash provided by (used in) operating activities	\$ (8,317,925)	\$ 4,612,594	\$ 2,828,879	\$ 7,046,221
Net cash used in capital and related financing activities				(619,561)
Net cash provided by (used in) investing activities	6,594,488	291,492	(1,437,922)	
Cash and cash equivalents:				
Beginning of year	14,421,101	9,077,494	1,442,346	4,289,697
End of year	<u><u>\$12,697,664</u></u>	<u><u>\$13,981,580</u></u>	<u><u>\$ 2,833,303</u></u>	<u><u>\$10,716,357</u></u>

To request a copy of KHEAA's FY2000 audited financial statements, contact the Division of Financial Affairs at (502) 696-7421.

Kentucky Education Savings Plan Trust (KESPT)

Selected Financial Information

As of June 30, 2000, and for the year then ended.

Revenues	\$ 1,107,884
Expenditures	<u>37,180</u>
Net increase in Trust equity from operations	<u><u>\$ 1,070,704</u></u>

Assets	<u><u>\$ 11,256,534</u></u>
Liabilities	65,711
Trust equity	<u>11,190,823</u>
Total liabilities and Trust equity	<u><u>\$ 11,256,534</u></u>

Trust equity, beginning of period	\$ 8,569,885
Net increase in Trust equity from operations	1,070,704
Net increase in Trust equity from account owner transactions	<u>1,550,234</u>
Trust equity, end of period	<u><u>\$11,190,823</u></u>

To request a copy of KESPT's FY2000 audited financial statements, contact the Division of Financial Affairs at (502) 696-7421.

KHEAA Board of Directors

June 30, 2000

Wayne Stratton (Chairman)
Certified Public Accountant
Jones, Nale & Mattingly
Louisville, Kentucky

Janis G. Garr*
Human Resource Manager
Ashland Inc.
Lexington, Kentucky

Mary Jo Young
Banking and Civic Activist
Elizabethtown, Kentucky

Gary Abney
HMH Investments
Richmond, Kentucky

Albert A. Kirkpatrick†
Retired Human Resources Director
Louisville, Kentucky

Gordon K. Davies (ex officio)
President
Council on Postsecondary Education
Frankfort, Kentucky

Marcia Kuegel Carpenter
Guidance Counselor
Daviess County Public Schools
Owensboro, Kentucky

David N. Klein
Executive Vice President &
Chief Operating Officer
Bank of Louisville
Louisville, Kentucky

John P. McCarty (ex officio)
Secretary
Finance & Administration Cabinet
Frankfort, Kentucky

* Janis G. Garr was appointed on June 8, 2000, to fill the unexpired term of Dr. Carrie Brown, who resigned.

† Albert A. Kirkpatrick was appointed on January 14, 2000, to fill the expired term of Robert R. Fitch.

KHEAA Senior Managers

June 30, 2000

Londa Lewis Wolanin
Chief Operating Officer

Ron W. Duvall
Director of Information
Resources & Technology

G. Blake Tanner
Director of Loan Program
Administration

Jane L. Stewart
Director of Federal Relations
& Loan Policy Services

Richard F. Casey
Director of Legal Services
& General Counsel

Janice C. Ernst
Director of Student &
Administrative Services

B. David Cox
Director of Financial Affairs
& Chief Financial Officer

KHEAA does not discriminate on the basis of race, color, national origin, sex, religion, age, or disability in employment or services and provides, upon request, reasonable accommodations to afford individuals with disabilities an equal opportunity to participate in all programs and activities.

Printed 11/00 with state funds KRS 57.375.